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REPORT

BY

MR. CAVE

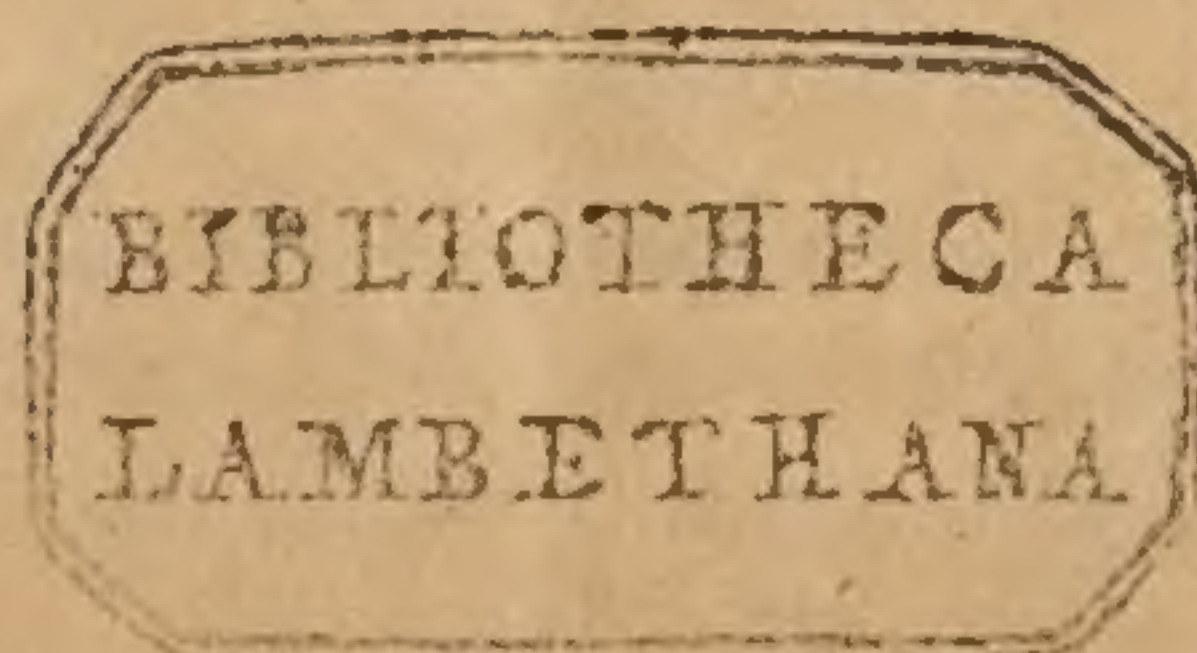
ON THE

FINANCIAL CONDITION

OF

EGYPT.

*Presented to both Houses of Parliament by Command of Her Majesty.
1876.*



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Report by Mr. Cave on the Financial Condition of Egypt.

No. 1.

Mr. Cave to the Earl of Derby.—(Received March 24.)

My Lord,

London, March 23, 1876.

ON the 19th of February Colonel Stokes and I, together with the staff of the Special Mission, had an audience of the Khedive for the purpose of taking leave of him.

At the conclusion of this interview His Highness warmly expressed his acknowledgments to Her Majesty's Government for the interest they had evinced in the welfare of Egypt, and requested me to convey to them his hope that they would always hold similar sentiments towards him, which he on his part should always cherish towards England.

His Highness then proceeded to acquaint us with an error he had recently discovered in his calculations affecting the land tax. He found that the revenue would on this account, at the end of ten years, be more seriously diminished than he had anticipated; so that the Egyptian Treasury would lose in 1886 2,500,000*l*.

This alteration of amount has been duly taken into consideration in the Tables accompanying my Report on the financial condition of Egypt, which I have now the honour to inclose.

It only remains for me to state that Colonel Stokes and Mr. Taylor, who, as your Lordship is aware, remained in Egypt for a short time after my departure, rejoined me in Paris, where I also met Mr. Rivers Wilson, to whom in the course of our conferences I communicated the substance of my Report.

We arrived in London on the 9th of March; and as my task is now completed, it is only right that I should acknowledge, which I do most cordially, the constant and valuable co-operation of Colonel Stokes, who has assisted me in framing my Report, and that I should also state to your Lordship that I had every reason to be satisfied with the staff of the Mission.

I found Mr. Buckley of the Foreign Office, Mr. White of the War Office, and Mr. Aucher Taylor of the Foreign Office, zealous assistants, both in my calculations and inquiries, and always ready to advance the objects of the Mission by every means in their power.

I have, &c.
(Signed) STEPHEN CAVE.

Inclosure in No. 1.

THE critical state of the finances of Egypt is due to the combination of two opposite causes.

Egypt may be said to be in a transition state, and she suffers from the defects of the system out of which she is passing, as well as from those of the system into which she is attempting to enter. She suffers from the ignorance, dishonesty, waste, and extravagance of the East, such as have brought her Suzerain to the verge of ruin; and at the same time from the vast expense caused by hasty and inconsiderate endeavours to adopt the civilization of the West.

Immense sums are expended on unproductive works after the manner of the East, and on productive works carried out in the wrong way, or too soon. This last is a fault which Egypt shares with other new countries (for she may be considered a new country in this respect) a fault which has seriously embarrassed both the United States and

Canada; but probably nothing in Egypt has ever approached the profligate expenditure which characterized the commencement of the Railway system in England.

The Khedive has evidently attempted to carry out with a limited revenue in the course of a few years works which ought to be spread over a far longer period, and which would tax the resources of much richer exchequers.

We were informed that one of the causes which operates most against the honesty and efficiency of native officers is the precarious tenure of office. From the Pashas downwards every office is a tenancy at will, and experience shows that while dishonesty goes wholly or partially unpunished, independence of thought and action, resolution to do one's duty and to resist the peculation and neglect which pervade every department, give rise to intrigues which, sooner or later, bring about the downfall of honest officials; consequently those who begin with a desire to do their duty give way before the obstructiveness which paralyzes every effort.

The public servant of Egypt, like the Roman Proconsul, too often tries to make as much as he can out of his office while it lasts, and the scandal takes place, of the retirement in a few years with a large fortune of men whose salary is perhaps 40% a month, and who have plundered the Treasury on the one hand, and the peasant on the other.

The European employés of the Khedive take care, naturally, that their position should be defined and secured. This gives them freedom of thought, speech and action which has been in many cases most valuable to Egypt. Mr. Acton, sent out from the English Board of Trade, is a most useful member of this class. If men of such character and position were appointed to higher offices in the Civil Service, they would, as we believe, bring about most excellent results. They would be checks upon the adventurers who have preyed upon Egypt; and they would take care that the adviser upon public works should be in every case distinct from the person who benefits by their construction. The actual terms of the contracts require the scrutiny of men of integrity and capacity. It is admitted by contractors themselves that they charge far more than the fair amount for their work because the conditions of the contracts are so unnecessarily and absurdly onerous that they are compelled to make extra charges to protect themselves against possible loss; so that, one way or another, Egypt is the loser. An official of high rank said to us that the great want in Egypt is a body of high-class Europeans, not those who compete with each other to make money, and put pressure upon the Khedive, but men like our Indian officials, who have done so much to raise the tone of the native races.

The principal source of the revenue and of the wealth of Egypt is the land. Agriculturē here is almost independent of seasons, but it is dependent upon widely extended, laborious and costly systems of irrigation. Where these are wanting, the land quickly relapses into desert. Where these are supplied, as in Upper Egypt by the Bahr Yussuf and the Bahr Ibrahim, and more to the east by the Sweet-water Canal to Ismaïlia and Suez, whole tracts of land are brought into cultivation. It is necessary, therefore, that irrigation should be carried on completely and economically, that drainage should accompany it for the purpose of washing the salt out of the subsoil, and that the distribution of water should be carried on justly and regularly. On all these points much improvement is needed. Still the productive power of the land has immensely increased during the administration of the present Ruler, as will be more particularly described hereafter.

The tenure of land varies. All land theoretically belongs to the State, as in feudal times in Europe, and similarly large estates were parcelled among the conquering races, and charged only with a fixed quit-rent called the *dîme* or *ouchour*. The remainder of the land is held from the State by communities or individuals on payment of a tax called *karadj*, which is really a rent, and which was variable, and might at any time be augmented at the will of the Government. This land could not originally be leased, alienated, or devised, but relapsed to the State at each termination of ownership. More liberal and humane laws have been enacted by the present Ruler, and the land passes as easily as copyhold in England. Where land belongs to communities, the Sheykh distributes it to families for a year only, which is a great obstacle to industry. Nubar Pasha informed us that he let some land for rent in the ordinary way. Some he worked with labourers for hire; some in a sort of partnership with the labourers, who paid him a certain portion of the produce, he finding seed, implements, &c.

Labourers for hire are difficult to be obtained in many places. Almost every man has a small parcel of land to cultivate; consequently contractors agree to take a piece of work for so much, and to bring a certain number of hands from various places. They make their terms with the landowner, who knows no one but the contractor, and it often

occurs that the latter, though well and punctually paid, starves and defrauds the labourers in his gang, and great misery and oppression take place, whether the gangs so brought together are of the better sort, who feed themselves and earn, say, 5 piastres a day, most irregularly paid, or whether they are the poorest Fellaheen, obtained by help of the Mudir or Head-man of a district, who are paid nothing, but work from sunrise to sunset for their bare food, and run away at every opportunity. This uncertainty, whether as to labour and taxes by the proprietary or as to pay and position by the peasantry, lowers the value of land to such a degree that we were informed that good land in the Delta might be bought for five years' purchase. Some time ago the Khedive established a "Crédit Foncier," or land bank, for the purpose of lending money to the peasantry at moderate rates, and lost a large sum of money by it. His motives were doubtless good, but he evidently began at the wrong end, and tried to palliate the evils of a system he ought to have reformed. There have been projects lately on foot for the introduction of Chinese into Egypt, and proposals have been made to the Khedive to send people to China to organize a system of emigration, but he objects that the introduction of Chinese will be very expensive, and that there will be much trouble in enforcing their contracts. If they come of their own accord, he will be glad to employ them and to settle them on unoccupied land. We were informed that all the labourers employed in the sugar-factories were paid regular money wages, and that the soldiers who are settled in military colonies or encamped near the sugar-estates are paid about 1s. a day, or by the task, besides their military pay; and as they work under their officers, it is said that twenty-five do as much work as sixty ordinary labourers. Besides these there are undoubtedly *corvées* and people working out the land tax paid for them by the Khedive.

The Daira Samieh, or private estate of the Khedive, consists of some 350,000 feddans* of good land, chiefly in Upper Egypt, besides 100,000 feddans of poor land not under cultivation. Of the former he lets about half and keeps about half in hand. The net revenue of the whole is estimated at 422,000*l.* in round figures. About 15,000 acres of what the Khedive keeps in hand are planted in cotton, and 120,000 in what is called winter cultivation, *i.e.*, corn and vegetables of various kinds. But the most important industry is the cultivation of the sugar-cane and the manufacture of sugar: 40,000 acres are planted with canes, and there are 12 large factories with most elaborate machinery at work.

The fault here, as in so many other instances, has been that this industry has been established without due consideration. Very large factories were built before the land was ready to supply them. They have not been placed in the middle of the estates, but near the main railway; consequently the canes have to be brought many miles by locomotives to the factories, involving a large consumption of coal, and making supervision more difficult. Some factories, full of costly machinery, have been abandoned, others left unfinished with the machinery already on the spot; steam machinery for irrigation has been erected and never used.

The manufacturing accounts can be accurately kept. Those for cultivation are complicated by *corvées* and military labour, and labour in payment of debts. We have heard the cost of cultivation, including the cutting of the canes, estimated at 5*l.* per acre. The sugar-estates, we feel convinced, bring in a return beyond their working expenses, and this will increase year by year as the cultivation improves, as more land is brought under canes, and the full power of the machinery brought into play. Much economy has already been effected by the utilization of the refuse of the factories for manure, and by the better management of the megass, or cane-stalks, which now almost wholly replace coal, both in driving the machinery and evaporating the sugar. It would therefore be unadvisable that these estates should be given up. But the original faults can hardly be remedied, and it seems impossible that there should ever be an adequate return for the capital, especially as so much was provided by loans at a high rate of interest.

It is therefore with great apprehension that we hear of the capital account of the Daira being still open, and of vast schemes of irrigation costing millions being under consideration.

We were informed before leaving England that Egyptian sugar had been sold in London for less than cost price. This might have been owing to a faulty system by which merchants were favoured at the expense of the grower, or pressing debts discharged in sugar at prices below the market value, or to buyers who had combined to make a monopoly, having been obliged to realize at a loss. A deceptive mode of sampling had also given a bad name to Egyptian produce. A very much better system now prevails and will soon produce good effects. The sampling is honestly and carefully performed; the sugar is sold at public sales, and a genuine competition is commencing, so

* The feddan nearly corresponds to the English acre.

that Egyptian sugar, which is of excellent quality, may be expected to give better returns. A fact has been mentioned to us by a high authority here, in confirmation of his opinion that sugar does not pay and ought to be given up, namely, that French refined sugar in Alexandria competes with native sugar, notwithstanding an 8 per cent. duty. But this has been explained by practical people in two ways. First, there is no refined, *i.e.*, loaf sugar, sent to Alexandria for sale as a regular system (not more than 2,000 tons are made at present altogether, namely, at Minieh); the highest of the three qualities made for the market is white crystallized sugar. Secondly, the bounty in form of drawback given by the French Government enables French sugar in Egypt, as in England, to compete unfairly with other sugar, though with regard to Egypt there is this excuse—that Egyptian sugar is protected by a Customs duty unbalanced by an excise on native produce.

It has been said that the public accounts, as well as those of the Daira Samieh, have been made with a view to deceive. It seems possible that an intricate statement may be preferred for the purpose of retaining power in the hands of the Finance Minister, in whose office no European is at present employed, or even allowed to enter. But we can hardly imagine that a designedly fictitious statement would be published year after year, and yet that it should be proposed that an inspection of accounts should take place by an experienced financier to remain here for at least five years, with access to all the records.

That the accounts are kept in a slovenly imperfect manner is evident on the face of them. Take for instance the Budget for 1876, and the "Compte Rendu" for 1875, which contain items jumbled together in a most extraordinary way, such as a railway in Soudan and a canal in Egypt in one sum. If we examine the accounts of the Customs, which are under the Finance Minister, we shall find no complete official table of the imports and exports of each Custom-house in Egypt, specifying the kind, the quantity, the value, the place from whence they come, or their destination. Moreover, the returns of quantity are made on no principle whatever, being sometimes according to weight, sometimes according to number, size of parcel, so many pairs, &c., and the periods are sometimes according to the Coptic, sometimes according to the Gregorian calendar, which, it is scarcely necessary to say, do not correspond.

Table No. 8 in the Appendix may serve to show how much reform is required in this branch of the service, upon which so important an amount of revenue depends.

According to a calculation made from the imperfect data accessible to the public, it has been estimated by a high independent authority, that the receipts from the Custom-house of Alexandria alone for the year 1872 ought to have amounted to 558,727*l.*, whereas the return of receipts from all the ports reached only 541,215*l.*, or 17,510*l.* less than it ought to have been from Alexandria alone.

Again, the receipts and expenses of railways for the year 1874-75 (1591 Coptic) give the receipts at the different stations with great minuteness, even to an entry of 4 piastres. But the salaries and wages, amounting to 195,297*l.*, are comprised in one sum, with no particulars of the payments to any particular class, nor even of the number of officials or servants employed; the same may be said of a single entry of 137,010*l.* for repairs of engines and carriages. It is therefore easily to be understood that the receipts of the railways are generally supposed to be one-fifth lower than they ought to be under efficient management.

It may be mentioned here that all construction of new railways, except that of the Soudan, is suspended, and that this, which is called Nubar's line, is confined to the portion of the Nile between Wady Halfa and Hannek, about 200 miles; to cost, fully equipped, with machinery already on the spot, 7,000*l.* per mile. The remainder of Fowler's original line, 350 miles from Hannek to Shendy, across a very difficult country, has been given up. The cataracts on this upper part of the Nile can be navigated during nine months in the year; but those on the line which is in course of construction are almost always impassable.

The Soudan is, we are informed, a rich, populous country, growing much corn. After paying the expenses of Darfour and the expedition to the great lakes, it contributes to the Treasury, according to the public accounts, a net revenue of 150,000*l.*

The occupation of Darfour and the expedition to the equatorial lakes are not, commercially speaking, successful. The Khedive has engaged to some extent in these enterprises for the sake of the suppression of the Slave Trade, and the Abyssinian war was almost forced upon him. It is probable that he will retire as soon as possible from Abyssinia and the Equator. Extension of territory and of trade may have attractions for the Khedive, but he is not dazzled by the barren glory of war.

According to the documents handed to us by the Khedive, and to information

furnished verbally by His Highness, and tested by such means as were in our power, the present position of the Egyptian finances is as follows:—

The revenue of Egypt has increased from 55,000*l.* a year in 1804, 3,300,000*l.* in 1830, and 4,937,405*l.* in 1864, the second year of the Khedive's administration, to 7,377,912*l.* in 1871, the year previous to the changes caused by the law of Moukabala. Under this law all landowners could redeem one half of the land tax to which they were liable by the payment of six years' tax, either in advance in one sum or in instalments. Those who paid down this contribution in one sum received an immediate reduction of their tax; those who elected to make the payment in instalments receive a discount of $8\frac{1}{3}$ per cent. on their advance, and the reduction only takes place on the completion of their contribution.

The extreme term for the entire redemption of each contributor's tax was at first fixed for six years; but as the law was either not properly understood, or the small owners were unable to make so heavy a payment annually, as their land tax plus its amount minus $8\frac{1}{3}$ per cent., the term was extended from six to twelve years, two years after the first promulgation of the law, so that it now has ten more years to run, during which the contributing land owner has to pay land tax plus one half the tax ($\frac{6}{12}$) and minus $8\frac{1}{3}$ per cent. of the same.

The annexed Table (4) shows the operation of the system since its institution, and the amount of income to be derived from it during the next ten years, to the end of 1885.

It is most advantageous to the landowner who can afford the present sacrifice, as in addition to the advantage of securing in perpetuity the redemption of half his tax by a payment of five and a half times its present amount, to which it is reduced by the discount allowed ($\frac{8\frac{1}{3}}{100} \cdot \frac{1}{2} \times 12 = \frac{1}{2}$), he secures an indefeasible title to his land, the tenure of which is at present of an uncertain character.

To the State the arrangement is a ruinous one from a fiscal point of view, as the Khedive has bound himself in the most solemn manner not to re-impose the redeemed moiety of the tax in any shape whatever, and he has thus sacrificed for all time 50 per cent. of revenue from this source in order to realize eleven times the annual amount remitted during a period of twelve years. The original intention of the law was to realize at once, or in a few years, sufficient capital to pay off the floating debt, but by extending its operation the sum raised annually has only sufficed to pay the interest on it.

The revenue now produces annually 10,689,070*l.*, but of this amount the moukabala, 1,531,118*l.*, is terminable, and will drop out of the account in ten years, *i.e.*, in 1886, whilst at the same time the land tax will fall from 4,305,131*l.* to 2,634,824*l.*

The normal expenditure amounts to 9,080,681*l.*, of which 5,036,675*l.* is devoted to paying interest and sinking funds of the various State loans, of which an account will presently be given.

The private loans of the Khedive are not chargeable to the State, except in two instances, namely, the Moustapha Pasha Loan of 1867, and the Anglo-Egyptian Daira Loan of 1865. These loans and a portion of the Daira floating debt, amounting to 3,000,000*l.*, have been taken over by the State for value received.

The revenue has certain elements of elasticity in it, but these are not likely to be very active in operation.

The principal of these is the Land Tax, which, after its reduction under the operation of the Moukabala Law, will probably grow with the increasing area of cultivation, an increase likely to receive an impulse from the reduction of the tax. At present 4,805,107 feddans pay tax as under cultivation, which, compared with the 4,051,976 feddans cultivated in Said Pasha's time, show an increase of $18\frac{1}{2}$ per cent. during the present Government. 352,350 feddans have also been brought under cultivation and will shortly be assessed for taxation. As this will be effected gradually no immediate increase of revenue will take place, but an addition of 180,000*l.* a year from this source may be expected in the course of the next five years.

A further area of 267,650 feddans will become liable to taxation after it has been surveyed, from which an additional 140,000*l.* a year may be expected.

These two additions to the cultivated area amount to 620,000 feddans, or 15 per cent. of the land under cultivation at the Khedive's accession, making therefore in all an addition of $33\frac{1}{2}$ per cent. during his rule of thirteen years.

There are still 1,098,000 feddans of cultivable ground, which have been registered but not yet cultivated.

The net revenues of the railways have increased from 750,000*l.* a year in 1873, to 990,800*l.* in 1875, but this rate of increase cannot be entirely relied upon, as more of the gross receipts will necessarily be required for maintenance and renewal as the

permanent way becomes worn, and deficient crops would cause diminished traffic. Still, even after making these allowances, an honest and intelligent administration of the railways would probably produce a larger revenue.

							Miles.
The extent of railways in 1873 was	..	..	..	..	..	..	1,110
Were added in 1874-5	..	..	..	..	..	..	100
							<hr/> 1,210

These lines have been constructed at an average cost of about 11,000*l.* per mile. Other lines have been projected, but the only important one actually in the course of formation is that in the Soudan. This is not the original Soudan line, but, as explained above, a section of it only, required to pass the worst cataracts.

The Customs duties may also be expected to improve. There has been a steady and gradual increase of the exports of cotton, which have risen from 1,253,593 quintals in 1867 to 2,615,120 quintals in 1874.

In the thirteen years of Ismail Pasha's rule, the quantity of cotton exported has been 3·6 times that of the exportation of the preceding thirteen years, or an increase of 257 per cent. The fall in price has caused disappointment, and may check production, it being now doubted whether corn does not pay better. At the same time improved machinery enables cotton to be more effectually separated from the seed, from which oil and cake are now largely made.

In the general returns of exports and imports there is also a marked improvement.

The total value of imports from 1863 to 1875 amounts to 61,939,736*l.*; against, from 1850 to 1862, 29,641,155*l.*, showing an advance of 100 per cent. in thirteen years.

Exports have quadrupled during the same period, having increased in value from 36,339,543*l.* to 145,939,736*l.*

During the thirteen years the growth of the population of Egypt has been considerable, the births having exceeded the deaths by 636,809.

Education has been carefully attended to, the number of schools established on an European model having increased from 185 in 1862 to 4,817 in 1875.

In the latter year there were 4,817 schools, with 6,048 masters and 140,977 pupils, being an augmentation on the previous year of 1,072 schools, 1615 masters, and 27,722 pupils.

The quality of the education given necessarily varies, but it has on the whole decidedly improved, and is in some cases of a very superior character.

These statistics show that the country has made great progress in every way under its present ruler, but, notwithstanding that progress, its present financial position is, for the reasons that have been already stated, very critical. Still the expenditure, though heavy, would not of itself have produced the present crisis, which may be attributed almost entirely to the ruinous conditions of loans raised for pressing requirements, due in some cases to causes over which the Khedive had little control.

The loans have been raised as follows:—

In 1862 Said Pasha contracted the first loan. The nominal amount was 3,292,800*l.*, repayable in thirty years; the interest 7 per cent., and the sinking fund 1 per cent. We have no particulars of the amount really received on this loan.

In 1864 the first of the present Viceroy's loans was contracted. The nominal amount was 5,704,200*l.*, of which, however, only 4,864,063*l.* was received. The interest and sinking fund on the nominal amount were respectively 7 and 3·87 per cent., but on the amount received they were 8·2 and 4·5, or, together, 12·7 per cent., instead of 10·87 per cent. on the nominal value. This loan was redeemable in fifteen years, and will, therefore, be paid off in 1879.

The Loan of 1868 was not made redeemable till 1898; its nominal amount was for 11,890,000, of which only 7,193,334*l.* was received. The apparent interest and sinking fund of 7 and 1 per cent. became therefore 11·56 and 1·68 per cent., or, together, 13½ per cent.

In 1873 a further loan was contracted for a nominal amount of 32,000,000*l.*, at 7 per cent. interest and 1 per cent. sinking fund, but as only 20,062,658*l.* was even nominally received, these figures became 11·0 and 1·62 per cent., and the charge, 12·62 per cent.; but of this 20,062,658*l.*, at least 9,000,000*l.* were paid into the Treasury in bonds of the floating debt taken at 93 per cent. The Treasury may therefore be held to have received 20,740,077*l.*, and the annual charge amounts to only 12·3 per cent. on this sum.

A loan was raised for the construction of railways in 1866. Its nominal amount was 3,000,000*l.*, at 7 per cent. The amount received by the State was 2,640,000*l.*, which

raised the interest to 8 per cent. The full amount of 3,000,000*l.* was repaid by six annual instalments of 500,000*l.* each, from 1st January, 1869, to 1st January, 1874, a rate equivalent to a sinking fund of 18·9 per cent.; so that during six years this loan entailed on the State an average charge equal to 26·9 per cent. of the amount realized.

In addition to these regular State loans there are two Daira loans, which have been transferred to the State against value received. These are :—

The Anglo-Egyptian Loan of 1865 for 3,000,000*l.*, at 9 per cent. interest and sinking fund of 3·27 per cent., in all, 12·27 per cent.; and the Mustapha Pasha Loan of 1867 for 2,080,000*l.*, which was raised at 9 per cent., with a sinking fund of 3·4 per cent., in all, 12·4 per cent. Both of these loans will have been repaid by the end of 1881.

The personal loan of the Khedive, raised on his private estates in 1870, was obtained on slightly more onerous terms than the State loans, excepting that for railways. To obtain 5,000,000*l.*, His Highness engaged to pay back 7,142,860*l.* in twenty years, with 7 per cent. interest on this nominal amount. So that he really pays on the amount received 10 per cent. interest and 3·36 per cent. sinking fund or a yearly charge of 13·36 per cent.

The following Table shows these loans at a glance :—

Loan of—	To be Paid off in—	Nominal Amount of Loan, but Real Debt of State.	Charge on Nominal Amount.			Amount Realized.	Real Charges on Amount Realized.			Remarks.
			Interest.	Sinking Fund.	Total.		Interest.	Sinking Fund.	Total.	
		£	Per cent.	Per cent.	Per cent.	£	Per cent.	Per cent.	Per cent.	
1862	1892	3,292,800	7	1	8	No particulars of amount realized.
1864	1879	5,704,200	7	3·87	10·87	4,864,063	8·2	4·5	12·7	
1866	1874	3,000,000	7	..	..	2,640,000	8	18·9	26·9
										Railways loan, repaid by six annual payments of 500,000 <i>l.</i> , equivalent to a sinking fund of 18·9 per cent.
1868	1898	11,890,000	7	1	8	7,193,334	11·56	1·68	13¼	
1873	1903	32,000,000	7	1	8	20,740,077	10·8	1·56	12·36	
						35,437,474				
Daira taken over by the State.										No particulars of amounts realized, but probably the whole.
* { 1865	1881	3,000 000	9	3·27	12·27	3,000,000	..	..	12·27
{ 1867	1881	2,080,000	9	3·4	12·4	2,080,000	..	..	12·4
						5,080,000				
The Daira Loan of His Highness the Khedive										
1870	1890	7,142,860	7	2·35	9·35	5,000,060	10	3·36	13·36	

From this Table it is seen that none of the Egyptian loans cost less than 12 per cent. per annum, while some cost more than 13¼ per cent. per annum, and the railways loan even 26·9 per cent. per annum, including sinking funds.

A Return furnished by the Minister of Finance sets the amount paid for interest and sinking funds of the public loans to the end of 1875 at 29,570,994*l.*†

According to the same Return, the revenue received from 1864 to 1875 inclusive amounted to 94,281,401*l.* During the same period the expenses of administration, including tribute to Constantinople, were 56,461,363*l.*; and the Government expended on the Suez Canal, on different works specified in the subjoined list, and on certain compensations and transactions, 56,654,722*l.*

The debtor and creditor account of the State, from 1864 to 1875, stands thus :—

* The Return of the Finance Minister does not include these loans, which were probably expended on lands.

† According to the Loan Contracts the service of the loans should only have cost 27,923,716*l.* to the end of 1875. This sum may have been swollen by extra charges.

RECEIPTS.

By Revenue	..	..	..	..	..	..	94,281,401
Loans..	..	..	..	..	..	..	31,713,987*
Sale of Suez Canal Shares	..	..	..	..	..	..	3,976,583
Floating Debt	..	..	..	..	..	..	18,243,076
							<u>148,215,047</u>

EXPENDITURE.

Administration	..	..	..	..	..	..	48,868,491
Tribute to the Porte	..	..	..	..	..	..	7,592,872
Works of utility, &c.	..	..	..	..	..	..	30,240,058
Extraordinary expenses—some of questionable utility, and others under pressure of interested parties	..	..	..	..	..	..	10,539,545
Interests and Sinking Funds	..	..	..	..	..	..	34,898,962
Suez Canal	..	..	..	..	..	..	16,075,119
							<u>148,215,047</u>

Two striking features stand out in this balance-sheet, namely, that the sum raised by revenue, 94,281,401l., is little less than that spent on Administration, Tribute to the Porte, Works of unquestionable utility, and certain expenses of questionable utility or policy, in all amounting to 97,240,966l., and that for the present large amount of indebtedness there is absolutely nothing to show but the Suez Canal, the whole proceeds of the Loans and Floating Debt having been absorbed in payment of interest and sinking funds, with the exception of the sum debited to that great work. It is to be further observed in connection with this subject that the necessity of paying large amounts to the Suez Canal Company obliged the Egyptian Government to resort to its earlier loans in 1864 and 1868.

The operation of the law of the Moukabala as above described is itself, perhaps, the most striking instance of the reckless manner in which the means of the future have been sacrificed to meet the pressing needs of the present. Before the law was enacted, the land-tax yielded as nearly as we can judge, 4,793,459l. a-year. The operation of the Moukabala was to give to the Government six times this amount, or about 28,760,754l. Of this a part was to be returned in discount at $8\frac{1}{3}$ per cent., and 2,396,729l. will have been so returned by the end of 1885, leaving to the Government a total of 26,363,888l., the receipt of which will have been spread over fourteen years, in exchange for which the Government has surrendered in perpetuity revenue to the amount of nearly 2,500,000l. a-year.

The immediate pressure arises from the Khedive's inability to take up the bonds of his unfunded floating debt, now falling due at short intervals, and estimated by His Highness at 18,243,076l. at least, after deducting the 4,000,000l. which have been extinguished by the purchase-money of the Canal shares.

This unfortunate position is due in great measure to the onerous conditions of the Loan of 1873, which was contracted for the express purpose of clearing off the floating debt, amounting at that time to 28,000,000l. By these conditions the nominal amount of 32,000,000l. was reduced to an apparent effective of 20,740,077l., of which 9,000,000l. were paid in the bonds of the floating debt. These bonds, purchased by the contractors at a heavy discount, and sometimes at a price as low as 65 per cent., were paid into the Treasury at 93 per cent., an operation which materially enhanced the profits accruing to the negotiators of the loan.

An examination of the contracts of the several loans shows that every available portion of the revenue has been pledged, sometimes more than once.

The Loan of 1873 swallows up every resource. It is guaranteed, first by all the general revenues of Egypt, and then especially by—

1. All the railway revenues of Lower Egypt, with a trifling exception. (This security is estimated at 750,000l., but not limited to that amount.)
2. The receipts from the personal and indirect taxes assessed at 1,000,000l.
3. The receipts from the salt tax, 200,000l.
4. 1,000,000l. a year from the Moukabala, or commuted land tax (of short duration.)

And lastly all the revenues already given in pledge to all other loans as they by degrees become liberated by the paying off of those loans.

These last-named securities include—

* The greater part of the Loan of 1864 having been applied to the payment of the debts of the Khedive's predecessor, is not included in this return, which therefore differs from the amount given in the Table.

The revenue of Province of Rodat-el-Bahrein (the Delta).

The Egyptian Customs duties.

The bridge and lock dues.

All the farmed duties, such as the duties on salt and fresh fish.

Sheep tax.

Oil tax.

Duties on ferry-boats and barges.

As, therefore, every security of real value is pledged, and as, without the means for meeting the floating debt, a very serious crisis in the financial affairs of Egypt must take place, which would be fatal to the interests of the bondholders under her various loans, it would seem that the most feasible mode of averting the danger would be to buy up, for the purpose of consolidation, the loans of 1860 and 1873, and the bonds of the floating debt. By this means the revenues now pledged would be liberated, and would be available as securities for a new loan, to be issued at a moderate rate of interest.

There is, however, an essential condition on which the success of some scheme of this character depends, namely, that the Khedive should place a person who would command general confidence, such for instance as the financial agent sent out by Her Majesty's Government to take employment under His Highness, at the head of a Control Department which should receive direct from the tax-collector certain branches of revenue to be defined, but comprising the land-tax and Moukabala, and should have a general supervision of the incidence and levying of the taxes.

If the tax-collectors throughout the country were placed under the orders of this Department, it would have power to check frauds on the Exchequer on the one hand, and the extortion practised on the Fellaheen on the other. Inspectors should be sent round to take specimen districts, so as to ascertain what every peasant, every sakkia, every date-tree, every feddan has paid during the year, and to trace the amount through the various hands through which it passes before it reaches the Treasury. In this manner it might be proved whether the burdens on the people are aggravated by the misconduct of their head men, and how far the system prevails of collecting taxes at the wrong time of year—of levying perhaps one year's taxes at the end of the year, and again immediately after at the beginning of the next, under which, it is to be feared, that three years' taxes are sometimes paid in two years.* The system of practically forced loans, which the peasant cannot distinguish from taxes, might also be inquired into; as also whether any special duties, such as those on date-trees, sakkias and shadoofs (methods of irrigation), lead to oppression and extortion.

His Highness should undertake to consider the recommendations made to him by his Control Department, and to remedy any well-substantiated cases of maladministration that might be brought before him. By these means an important element of future wealth and prosperity would be introduced into the country: as the fellaheen thus protected from oppression and able to employ the means now wrung from them by the tax-collectors, in excess of what comes into the State Treasury, would add materially to the present resources of the country.

His Highness should further engage to make no fresh loans without the consent of the Control Department.

The details of this plan can be worked out when the principle has been settled.

With guarantees of this kind it might be possible to make the required arrangements, and the present debts having been replaced by one amount at moderate interest there is no reason why the country should not quickly recover.

The liabilities of the Egyptian Government are—

Loans.					Paid Off.	To be Paid.	Expires.
					£	£	
1862	..	..	..	..	775,800	2,517,000	1892
1864	..	..	..	..	3,572,200	2,132,000	1879
1868	..	..	..	..	1,167,480	10,722,520	1898
1873	..	..	..	..	686,343	31,313,557	1903
Moustapha, 1867	..	..	..	..	922,500	1,157,500	1881
Daira Loan of 1865, backed by Treasury..					1,542,688	1,457,312	1881
Floating Debt	..	..	..	..	..	18,334,960	
Abyssinian War expenses	..	..	..	..	..	1,000,000	

* These complications are likely to increase in consequence of the substitution of the Gregorian for the Coptic style at the commencement of the present year.

The debts of the Khedive's Daira, which it is desirable to bring into the general arrangement, are as under:—

The Loan of 1870—							£
Unpaid capital	..	..	..	..	..	..	6,032,620
Floating Debt	..	..	..	..	..	..	3,000,000

The present Revenue of Egypt consists of:—

							£
Land Tax	..	..	..	..	..	..	4,305,131
Moukabala	..	..	..	..	..	..	1,531,118
Other sources of revenue	..	..	..	..	..	..	4,852,821
							<u>10,689,070</u>

These figures will probably be maintained till the end of 1885, and this revenue will go on increasing unless any unforeseen calamity befalls the country.

In 1886 the Moukabala will cease, and the Land Tax will be diminished by the redemption of the tax, on a large portion of the land. On the other hand, fresh lands which are already brought under cultivation will then have begun to pay tax, and it may be confidently expected that other lands now waste will in the next ten years have been brought under cultivation and become tax-paying. It is also reasonable to suppose that other sources of revenue will have become more productive.

The Revenue of 1886 and following years may, therefore, be assumed to be at least equal to the following amounts:—

							£
Land Tax	..	..	..	..	..	..	3,134,824
Other sources of Revenue (10 per cent. more than in 1876)	..	..	..	..	..	..	5,338,103
Total	..	..	..	..	..	..	<u>8,472,927</u>
In round numbers	..	..	..	..	..	..	8,473,000

The amount of unpaid capital on the loans is as follows:—

Small Loans (nearly paid off).				Unpaid Capital.	Annuity.	Expires in.
				£	£	
1864	..	..	..	2,132,000	620,312	1879
Daira Loan of 1865 (Anglo-Egyptian)	..	..	..	1,457,312	368,350	1881
1867 (Moustapha)	..	..	..	1,157,500	258,024	1881
Annual amount	..	..	..	..	1,246,686	

The larger Loans.				Unpaid Capital.	Annuity.	Expires in.
				£	£	
1862	..	..	..	2,517,000	263,972	1892
1868	..	..	..	10,722,520	953,303	1898
1873	..	..	..	31,313,659	2,565,670	1903
Daira (1870)	..	..	..	6,032,620	668,000	1890
Floating Debt of the State	..	..	..	18,243,076	..	..
Ditto of the Daira	..	..	..	3,000,000	..	..
Total	..	..	..	71,828,875	..	
Say	..	..	..	72,000,000	..	

It might simplify any scheme for the consolidation of the debt if the loans which expire within the next six years, and whose annuities can be paid out of the revenue derived from the Moukabala, were excluded from it.

In this case, in considering the amount of 72,000,000*l.* given above to be dealt with by consolidation and the resources to meet the annual charges upon it, the following points are to be noted:—

As concerns the funded debt, the interest on the nominal amount of the loans with which alone we have now to deal is not excessive, but the sinking funds add to it a yearly charge which is too heavy for the revenue. Were the term of repayment deferred this charge would be lightened; it is, therefore suggested that an offer might

be made to the bondholders of these loans of a new stock at 7 per cent., repayable by the year 1926, instead of the bonds they now hold redeemable from 1892 to 1903. The inducement to these bondholders to accept the deferred payment would be the security given for the punctual payment of the debt charges, by the special Control Department, to be instituted by the Khedive as above described. A condition of the arrangement would be the transfer of the resources of the country from the service of special loans to the service of the whole debt.

It may be expected that if the gravity of the situation is explained to the bondholders they will consent to an arrangement for securing to them a fair return on their money, and saving them from the heavy loss inseparable from a financial collapse.*

As regards the floating debt, it may be supposed that the holders of Treasury Bonds, which have been frequently renewed and now represent a value far in excess of the amount paid to the Khedive, would willingly take bonds for the present nominal amount of these bonds with an assured interest and repayment.

It remains to examine whether the resources of the country are equal to the payment of the necessary annuity for covering this payment of interest and sinking fund.

	£
As above shown, the amount of Funded and Unfunded Debt to be paid off, independently of the three small Loans, is	72,000,000
If to this be added, for the expense of the Abyssinian War	1,000,000
And for the cost of this operation	2,000,000
	<hr/>
We have a total amount of	75,000,000

For the interest and sinking fund of which provision would have to be made. The annuity to repay this sum in fifty years with interest at 7 per cent. per annum would be 5,434,425*l.*, but as the Daira Loan and Floating Debt have been taken into the operation, a proportion of this charge will fall on the private estate of the Khedive and not on the State; this proportion would be 672,608*l.*,† leaving 4,761,817*l.* to be furnished by the State.

The permanent charges of the Budget are :

	£
Tribute to Constantinople	685,308
Interest on Suez Canal Shares till 1895	198,829
Administration (including Civil List of His Highness and family)	3,067,560
	<hr/>
Say	3,951,697
	<hr/>
The Revenue of 1876 to 1885 should be	10,689,000
Less the Moukabala (which we propose to deal with separately)	1,531,000
	<hr/>
	9,158,000
Deduct the permanent charge	4,000,000
	<hr/>
	5,158,000
The charge for interest and Sinking Fund	4,761,817
	<hr/>
Leaves a working surplus of	396,183
	<hr/>
But in 1886 and subsequent years we have shown that the Revenue will be only (except the growth that may be expected in the future)	8,473,000
Deduct permanent charge	4,000,000
	<hr/>
	4,473,000
Service of Debt	4,761,817
	<hr/>
Leaving a deficit of	288,817

This deficit might be dealt with by reserving the produce of the Moukabala receipts. These receipts will be 1,531,818 a year until the end of 1885.

The charges on them will be :

* It must be observed that, by clause 19 in the contract of the Loan of 1873, the Khedive engages to make no fresh loans before 1878, except to the extent of 10,000,000*l.* sterling for public works. It is alleged, however, that this engagement would not be broken by a loan for the purpose of funding existing debts.

† The Loan alone, without the interest of floating debt, now costs the Khedive 668,000*l.* a-year so that this sum can be well borne; as shown by His Highness' Daira account.

							Surplus.
						£	£
In 1876, Annuities of the Loans of 1864, 1865, 1867	..					1,246,686	284,432
1877, ditto ditto .. ..	..					1,246,686	284,432
1878, ditto ditto .. ..	..					1,246,686	284,432
1879, ditto ditto .. ..	..					1,246,686	284,432
1880, Annuities of the Loans of 1865, 1867 .	..					626,374	904,744
1881, ditto ditto .. ..	..					626,374	904,744
1882 .. ..	..					..	1,531,118
1883 .. ..	..					..	1,531,118
1884 .. ..	..					..	1,531,118
1885 .. ..	..					..	1,531,118
1886 .. ..	..					..	9,071,688

This Reserve Fund would probably be increased by accruing interest up to 1885, or if circumstances should admit of a large portion of it being employed in the redemption of bonds, it is clear that the diminution of charge would convert the deficit caused by the reduction of the land tax in 1886 into a surplus. The Moukabala should be absolutely vested in the Control Department, and be applied by it, so that security should thus be provided against possible fluctuations of revenue.

It would appear from these calculations that the resources of Egypt are sufficient, if properly managed, to meet her liabilities, but that as all her available assets are pledged for the charges of existing loans, some fresh combination is necessary in order to fund at a moderate rate the present onerous floating debt.

The annual charge upon the people of Egypt is heavy, and has increased; but the power of meeting it, that is, the wealth of the country as indicated by its exports, has increased in a far greater degree. And it must be remembered that this annual charge includes not only a sinking fund for the redemption of debt, but a very large proportion of what we should call local taxation. It also includes the cost of much that is done in this country by private enterprise, such as railways, canals, harbours, docks, &c., besides actual rent of lands belonging to the State, and repayment of advances during periods of scarcity and murrain.

We gather from all the information that we have been able to obtain that Egypt is well able to bear the charge of the whole of her present indebtedness at a reasonable rate of interest; but she cannot go on renewing floating debts at 25 per cent. and raising fresh loans at 12 or 13 per cent. interest to meet these additions to her debt, which do not bring in a single piastre to her Exchequer.

STEPHEN CAVE.

BUDGET of the Egyptian Government for the Year 1876.

RECEIPTS.

EXPENDITURE.

RECEIPTS.		EXPENDITURE.	
	Bourses pias.		Bourses pias.
Provinces of Upper and Lower Egypt—		Tribute to Constantinople	133,635 62
Tax on lands, either Kharaghis or Ouchoury ..	839,500 323	Civil List of His Highness the Khedive	60,000 000
Tithes on date trees	36,934 81	Annual allowance to His Highness the Prince Heritier	6,000 000
Patents (licenses)	82,346 132	Sum due annually to His Highness the Prince Halim Pasha, by agreement	11,700 000
Octroi, duties on sheep and other duties	98,517 338	Appointments and expenses of the Ministry of Finance and its dependencies, and the Administrations included under it, as follows—	
Moukabala on lands	314,858 128	The Maia Sauleh (Cabinet) of His Highness the Khedive	4,338 66
Customs	1,372,157 2	Personnel and employés of the Privy Council	2,088 127
Net revenue from railways	124,737 287	Ministry of the Interior	1,596 208
Revenues from the octroi of Cairo and Alexandria, revenues from the Governments and Prefectures of Police of Cairo, Alexandria, Damietta, Rosetta, Suez, Ariche, Port Saïd, and Ismailia	193,207 28	Ministry of Foreign Affairs	2,155 130
Salt Revenues	140,523 404	Ministry of Justice	16,448 26
Revenues from the locks of the Mahmoudieh Canal; from "barrages," ports, and bridge of Kasr-el-Nil	50,000	Ministry of Finance, Moukabala Commission, and Accounts	10,862 243
Lease of Mattarieh (salt fish), duties on sales; and other duties collected by the Minister of Finance	32,313 87	Various pensions and allowances, registered under the Ministry of Finance	53,193 153
Tobacco duties	105,236 237	Various expenditure, ditto	20,325 316
Revenues from the Soudan	51,483 488	Conseil d'Etat, Court of Appeal, Court of First Instance at Cairo, and the Chamber of Notables	3,242 268
Total bourses	30,000 000	Irregular troops	5,792 374
	2,100,659 33	Egyptian Museum, Canal d'Ismailia, Office of the Suez Canal Engineers, Liquidation Department, Commission for Arrears, Archives, Provisions and Stores, &c.	6,633 297
	£10,772,611	Customs	5,823 403
		Administration of the Mattarieh (salt fish)	1,077 296
		Foreign Agents	2,881 349
		Expenses on account of the Philadelphia Exhibition	2,244 66
		Appointments and expenses of the Provinces of Upper and Lower Egypt	138,703 322
		Appointments and expenses of the Governments, Prefectures, and Dependencies and Octroi, including the service of Public Ways, as follows—	36,546 380
		Cairo (including Hospital and Patients' expenses)	41,293 179
		Alexandria, ditto	20,306 313
		Damietta, Rosetta, Suez, Ariche, Port Saïd, and Ismailia	12,484 461
		Octroi	5,219 368
		Appointments and expenses of locks and "barrages," of the Mahmoudieh Canal, and for bridge at Kasr-el-Nil	79,304 321
		Appointments and expenses of the Ministry of Public Works	5,260 285
		Appointments and expenses of the Ministry of Public Instruction (besides the revenues of schools which possess large properties)	1,681 345
		Appointments, expenses, pensions, annual allowances, allowance for the Sourreh, for the Mecca caravan, expenses for the forts of Hedjaz, cost and charges on corn intended for charity, &c; all registered under the Rouznameh	8,740 102
		Appointments and expenses of the Ministries of War and Marine	38,989 231
		Works contracted for, for the Soudan Railway, and for part of the Canal at Ismailia, &c. ..	171,247 137
		Interest on the Bonds of Rouznameh	40,000 000
		Interest on the Suez Canal shares due in the month of July 1876	18,000 000
		Annuities and loans (redemptions and interest)	19,500 000
			982,151 385
		Say equal to	1,751,461 70
			£8,981,852

BALANCE.

Receipts	£
Expenditure	10,772,611
	8,981,852

Surplus 1,790,759 which will serve for paying off the interest on the Floating Debt

A bourse is 500 piastres Tariff. A pound sterling equal to 97½ piastres Tariff.

APPENDIX No. 2.

CULTIVATED Lands in the Provinces of Upper and Lower Egypt in the Coptic Year 1591, corresponding to A.D. 1874-75.

	Feddans.	Feddans.	Feddans.
Lands subject to tax and borne upon the Register (Cadastré)—			
Kharadgis*	3,513,941		
Ouchoury†	1,291,166	4,805,107	
Lands not subject to tax and not borne upon the Register, viz.:—			
Ouchoury conceded in virtue of Taksids (Title of Concession) delivered by the Rouznameh, which have still to be made the object of an ulterior verification, according to which the tax will be fixed	352,350		
Lands distinct from the Register, and others for which no Taksid has yet been given, <i>i.e.</i> ,			
Taxable like the lands Ouchury at the respective dates, conformably with the decision of the Chamber of Notables	70,000		
Subject to an ulterior verification and survey	197,650		
	267,650	620,000	5,425,107
Deduct—			
Lands cultivated under the preceding Government, that is to say, up to the year 1578 (September 1862)—			
Kharadgis	3,505,179		
Deduct the lands of Rosetta, registered under the Government of Rosetta, and therefore deducted, because these lands were not registered under the Register of the Provinces as regards the year 1591 (1875)	806		
		3,504,373	
Ouchoury .. .. .	..	547,603	4,051,976
Difference rendered cultivable under the present Government .. .. .	..	..	1,373,131

* Lands paying tax assessed on value of produce.

† Lands paying a fixed tithe.

APPENDIX No. 3.

UNCULTIVATED Lands known according to the preceding Register made during the Reign of Mohamed Ali.

	Feddans.	Feddans.
Provinces of Lower Egypt—		
Moudirieh Garbiéh	550,000	
„ Béhéra	180,000	
„ Charkiéh	100,612	
„ Dakahliéh	49,955	
„ Galioubiéh	11,074	891,641
Provinces of Upper Egypt—		
Moudirieh El Ghizi-et-Attfeh	25,000	
„ El Fayoum	150,000	
„ Assiout	31,358	206,358
Total Feddans .. .. .	..	1,097,999

Besides these lands, there exists in the Provinces of Gharbiéh, Charkiéh, Béhéra, and Dakahliéh about 1,500,000 uncultivated feddans not registered, without counting the area of lakes which may become dry.

APPENDIX No. 4.

DISCOUNT at the rate of 8½ per cent., which the Proprietors of Land have engaged to pay on the sum total of the Moukabalah.

						Bourses.	Discount. Bourses.
Discount on payments made up to the end of the year 1591 (September 1875) in the aggregate (2,351,628 bourses)—							
Discount for the year 1588 (1872)						73,761	
" " 1589						51,923	
" " 1590						44,047	
" " 1591 (1875)						26,238	
							195,969
Discount for the 10 years remaining to the Moukabalah, that is to say, from 1876 to the end of 1885, on the sum to be paid amounting to 3,257,110 bourses each year, yielding 325,710 bourses (27,142 bourses per year) .. .. .						..	271,420
Total .. .. .						..	467,389 = 2,396,866½.

1 bourse equal to 500 piastres. 97½ piastres equal to 1½ sterling.

APPENDIX No. 5.

EXPORTS and Imports of Egypt during the Twenty-six Years from 1849 to 1875.

Period of 13 years under the Governments of Abbas Pacha and Said Pacha.					Period of 13 years under the Government of His Highness the Khedive.				
Exports.	Imports.	Year.	Corresponding years.		Exports.	Imports.	Year.	Corresponding years.	
£ sterling.	£ sterling.				£ sterling.	£ sterling.			
2,043,579	1,621,369	1265	1849	1850	9,014,277	3,063,487	1279	1862	1863
2,155,420	1,681,630	1266	1850	1851	14,416,661	5,291,297	1280	1863	1864
2,270,333	1,575,374	1267	1851	1852	13,045,661	5,753,184	1281	1864	1865
1,848,779	2,001,913	1268	1852	1853	9,723,564	4,662,210	1282	1865	1866
2,087,938	2,141,964	1269	1853	1854	8,623,497	4,399,097	1283	1866	1867
3,286,436	2,527,133	1270	1854	1855	8,094,974	3,582,969	1284	1867	1868
4,029,543	2,568,692	1271	1855	1856	9,089,866	4,021,601	1285	1868	1869
3,104,948	3,149,230	1272	1856	1857	8,680,702	4,502,969	1286	1869	1870
2,533,907	2,715,215	1274	1857	1858	10,192,021	4,512,143	1287	1870	1871
2,565,625	2,494,143	1275	1858	1859	13,317,825	5,005,995	1288	1871	1872
2,535,651	2,604,933	1276	1859	1860	14,208,882	6,127,564	1289	1872	1873
3,422,959	2,568,539	1277	1860	1861	14,801,148	5,322,400	1290	1873	1874
4,454,425	1,991,020	1278	1861	1862	12,730,195	5,694,820	1291	1874	1875
36,359,543	29,641,155				145,939,273	61,939,736			
Excess of exports, 6,698,388½.					Excess of exports, 83,999,537½.				

The excess of Exports during the above-mentioned period of the reign of His Highness the Khedive over the preceding periods is thus 77,301,149½, or about 1,154 per cent. upon 6,698,388½.

APPENDIX No. 6.

COTTON Exported from Egypt during the Twenty-six Years from 1849 to 1875.

Period of 13 years under the Governments of Abbas Pacha and Said Pacha.					Period of 13 years under the Government of His Highness the Khedive.				
Quintals.	Rotolis.	Year.	Corresponding Years.		Quintals.	Rotolis.	Year.	Corresponding Years.	
309,495	16	1265	1849	1850	1,181,707	84	1279	1862	1863
350,376	53	1266	1850	1851	1,717,369	65	1280	1863	1864
194,247	36	1267	1851	1852	2,001,157	23	1281	1864	1865
684,689	94	1268	1852	1853	1,288,797	28	1282	1865	1866
545,232	..	1269	1853	1854	1,260,946	54	1283	1866	1867
387,780	64	1270	1854	1855	1,253,593	37	1284	1867	1868
510,452	2	1271	1855	1856	1,391,493	6	1285	1868	1869
385,517	16	1272	1856	1857	1,351,853	27	1286	1869	1870
501,070	29	1274	1857	1858	1,966,154	84	1287	1870	1871
586,347	6	1275	1858	1859	2,108,509	53	1288	1871	1872
588,478	83	1276	1859	1860	2,418,484	45	1289	1872	1873
654,943	57	1277	1860	1861	2,599,685	22	1290	1873	1874
722,797	6	1278	1861	1862	2,615,120	1	1291	1874	1875
6,421,427	62				23,154,872	29			

The excess of Export during the above-named period of the reign of His Highness the Khedive over the preceeding periods is thus 16,733,444 quintals and 67 rotolis, or about 257 per cent.

APPENDIX No. 7.

DETAILS of the Number of Miles of Railways and Telegraphs established under the Government of His Highness the Khedive.

	Miles.	Total Miles.	Cost per Mile in Pounds Sterling.	Total Cost in Pounds Sterling.
Railways and Telegraphs established up to the end of September 1873, <i>i.e.</i> —			£ s.	£
Railways	1,110		11,112 0	12,334,320
Telegraphs as far as the Soudan	9,298		90 16	844,258
		10,408		13,178,578
Railways and Telegraphs established in 1874 and 1875, <i>i.e.</i> —				
Railways	100		10,270 0	1,027,000
Telegraphs	145		60 0	8,700
		245		
Total miles .. .. .	..	10,653	Total ..	14,214,278

APPENDIX No. 8.

Year.	Port.	Exports or Imports.	Articles.	Quantity.	Value.	Nature of Return.	Country whence Imported.	Destination of Exports.
1869..	Alexandria	Exports	Return given ..	Return given ..	Given	Private only	Not given	Not given.
Ditto ..	Ditto ..	Imports	Ditto ..	Ditto ..	Not given	Reliable	Ditto ..	Ditto
1870..	Ditto ..	Exports	Ditto ..	Ditto ..	Ditto	Ditto ..	Ditto ..	Ditto
Ditto ..	Ditto ..	Imports	Ditto ..	Ditto ..	Given	Private	Ditto ..	Ditto
Ditto ..	Ditto ..	Ditto	Ditto ..	Ditto ..	Ditto	Ditto ..	Ditto ..	Ditto
1870-71 (1587 Coptic)	Ditto ..	Exports	Ditto ..	Ditto ..	Not given	Official	Ditto ..	Ditto
Ditto ..	Ditto ..	Ditto	Ditto ..	Ditto ..	Given	Private	Ditto ..	Ditto
Ditto ..	Ditto ..	Imports	Ditto ..	Ditto ..	Ditto	Ditto ..	Ditto ..	Ditto
Ditto ..	Ditto ..	Ditto	Ditto ..	Ditto ..	Ditto	Ditto ..	Ditto ..	Ditto
1871..	Port Saïd.	Ditto	Ditto ..	Ditto ..	Ditto	Private	Ditto ..	Ditto
1870-71 (1587 Coptic)	Damietta, Port Saïd, Suez, Aziche, Cossein, Souákim, and Massowa	Import	Ditto ..	Ditto ..	Ditto	..	Ditto ..	Ditto
		Exports	Ditto	Ditto	Not given	Ditto ..	Ditto ..	Ditto
1871-72 (1588)	Alexandria	Exports	Ditto	Ditto	Ditto	Ditto ..	Ditto ..	Ditto
Ditto ..	Ditto ..	Imports	Ditto	Ditto	Ditto	Ditto ..	Ditto ..	Ditto
1872 ..	Ditto ..	Imports and Exports	Ditto	Ditto	Not given	Private	Given ..	Given.
Ditto ..	Port Saïd	Ditto	Ditto	Ditto	Ditto	Ditto*	Ditto ..	Not given.

* The returns of quantity are made on no principle whatever, sometimes by weight, sometimes by number, by size of parcel, so many pairs, &c.

The Earl of Derby to Mr. Cave.

Sir,

Foreign Office, March 28, 1876

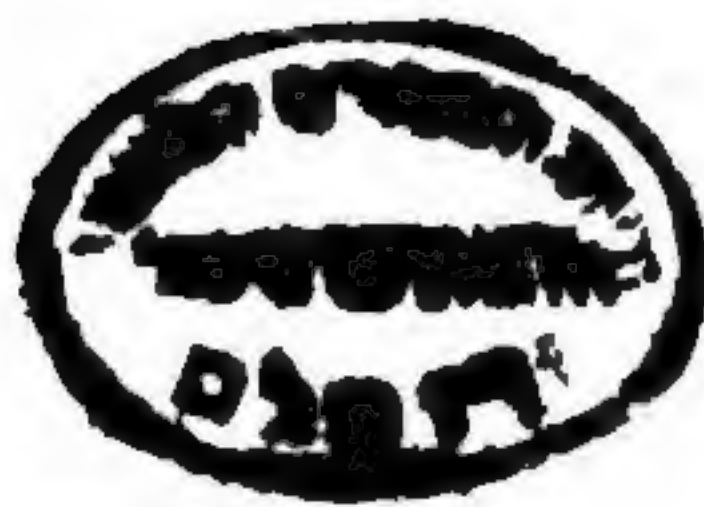
I HAVE received and laid before the Queen your despatch of the 23rd instant, reporting what passed at the interview which you held with the Khedive upon your departure from Egypt, and I have to express to you the satisfaction of Her Majesty's Government at His Highness' acknowledgment of the interest taken by them in the welfare of his country.

I avail myself of this opportunity to express to you the approval of Her Majesty's Government of your proceedings in the discharge of your mission, and to convey to you their appreciation and thanks for your able and interesting Report.

Her Majesty's Government are glad to learn that you have received valuable assistance from Colonel Stokes, and I will not fail to communicate your acknowledgment of his services to His Royal Highness the Commander-in-chief.

I have likewise received with pleasure your testimony to the services rendered to you by Mr. Buckley, Mr. White, and Mr. Taylor, who formed the staff of your Mission to Egypt.

I am, &c.
(Signed) DERBY.



REPORT by Mr. Cave on the Financial Condition of
Egypt.

*Presented to both Houses of Parliament by Com-
mand of Her Majesty. 1876.*

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